

A JOINT RESPONSE BY THE ENLARGEMENT COUNTRIES

TO THE EC GREEN PAPER

FROM CHALLENGES TO OPPORTUNITIES:
TOWARDS A COMMON STRATEGIC FRAMEWORK FOR EU
RESEARCH AND INNOVATION FUNDING

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INTRODUCTION

The European Commission has recently launched a process of consultation to receive opinions from a wide array of stakeholders ranging from research and business communities to government and civil society organizations for the structuring of the future research and innovation landscape in Europe. The Green Paper “From Challenges to Opportunities: Towards a Common Strategic Framework for EU Research and Innovation Funding” presented by the European Commission on 9 February 2011 manifests the very initial orientations of the public programming for research and innovation in Europe after 2013.

The “Enlargement Countries Associated to FP7”, which are constituted by the European Union (EU) Candidate Countries* and Potential Candidate Countries, have previously taken the initiative to manifest their Joint Position on the next research and innovation programme of the European Union to which currently they are Associated countries. The Joint Position Paper resulted from a continuous consultation processes starting with a Regional Dialogue meeting of WBC-INCO.NET project held in Montenegro in November 2010. The Joint Position Paper of the Enlargement Countries has been published early February with a view to announce the joint stance of the involved countries on the future research and innovation programming in Europe. The Joint Position Paper of the Enlargement Countries rightly addresses some issues which have also been raised in the recently published Green Paper. In common, they both address to issues such as capacity building towards excellence in research and innovation, thematic and challenge oriented structuring of collaborative research, fostering innovation, coordination of diverse policy domains with that of research and innovation, simplification for easier and faster access to funds, mobility of researchers and access to infrastructures.

The continuous consultation processes among the countries involved in the initial joint position was sustained after the publication of the EC Green Paper on a Common Strategic Framework for EU Research and Innovation Funding. A Regional Dialogue meeting in the context of WBC-INCO.NET project, held in Ohrid, FYR Macedonia on 3 May 2011, has allowed the involved ministries and research councils to come together and construct a joint response of the Enlargement Countries to the EC Green Paper. This joint response is manifested in this paper and submitted to the European Commission consultation on the future of research and innovation funding in Europe. This joint response focuses on the measures proposed in the EC Green Paper for strengthening research and innovation in Europe in the next programming period with a view to responding to the concerns and questions embedded in the Green Paper. In this context, the Enlargement Countries expect that the potential and added value of the enlargement process would not be underestimated in the design of the future research and innovation funding in Europe.

*Due to regional and socio-economic considerations and very recent participation of Iceland to the EU Candidate Countries classification, this joint position paper excludes the opinion from Iceland.

TOWARDS A COMMON STRATEGIC FRAMEWORK FOR EU RESEARCH AND INNOVATION FUNDING

As elaborated in the EC Green Paper, the proposed Common Strategic Framework for EU Research and Innovation Funding is envisaged to focus on addressing societal challenges, encouraging the competitiveness of Europe's industries, excellence of its scientific and technological base, and finally working together to deliver on Europe 2020 Strategy. This joint response of the Enlargement Countries therefore focuses on these main perspectives embedded in the EC Green Paper.

Working together to deliver on Europe 2020

In the EC Green Paper, it is proposed to streamline the main programmes and funding instruments supporting research and innovation, covering all the activities across the innovation cycle with a single entry point and common IT tools as well as a one stop shop providing advice and support to participants. Such streamlining is further proposed to be strengthened with administrative simplification with more standardized set of rules, to be balanced with a flexible approach to address specific conditions. The stance of Enlargement Countries is in favour of the attempts for simplification and flexibility as long as they are implemented genuinely. Simplification process should not only reflect slight changes in administration and implementation rules, nor should the attempts towards simplification create new structures. The Enlargement Countries herewith manifest two main concerns relating to the simplification process. Firstly, the proposed simplification remains short of simplifying proposal writing which became a profession in itself. Detailed explanation of each single activity at the proposal stage, be it scientific, management, coordination or dissemination, is too demanding from the perspective of a scientist. Similarly, the scientific value of project proposals being evaluated in the same weight as management and dissemination activities undermines the potential of great scientific ideas to come to life due to less-well-written management or dissemination activities. Secondly, the budgeting of projects and administration of financial matters after the granting is regarded unnecessarily detailed which discourages an applicant.

The intention manifested in the EC Green Paper to cover the full innovation cycle from research to market uptake, requires addressing the different needs of the different actors with complementing programmes. In this context, other policies and funds needs to be availed to support initiatives that are more close to market. It is considered that the EU funding can best cover the full innovation cycle with a more risk tolerant approach and accordingly designed

instruments. Especially when it comes to tools such as venture capital, the EC needs to take the initiative to be more risk tolerant as the driving force of innovation in Europe and in the region.

In the call for working together to deliver on Europe2020, it is proposed in the EC Green Paper to leverage other sources of funding, be it private or national. The Enlargement Countries maintain that the level of co-financing by the industry needs to be decreased, particularly for the SMEs. Leveraging the research and innovation sources of the individual countries through EU funding is regarded positively in terms of enhancing cooperation and coordination, but needs to be kept limited and greater money should be devoted to research itself. The ERA-NET scheme and the initiatives which have gained recognition under this scheme should be preserved in the future since such tools have the potential to turn into genuine programmes in time through pooling of the resources of individual countries. The ERA-NET scheme is also essential from a perspective of cooperation and integration to the European Research Area, not only for Enlargement Countries but for Europe as a whole. The Joint Programming initiatives, on the other hand, are herewith called to be kept limited and not to become a prevailing force in shaping the future research and innovation landscape of Europe.

In this context, the balance between smaller targeted projects and larger strategic ones need to be reserved. It is needed to preserve small projects that would help prepare the ground for ground breaking innovations. The facts that such small projects are easier to access simpler to administer, renders them more targeted and inclusive.

In the EC Green Paper, it is proposed to make use of the Cohesion Policy funds for complementarities with the objectives of the Common Strategic Framework. Since the Cohesion Policy serves to build research and innovation capabilities at the regional level, the complementarity approach is well justified. Yet, for the Enlargement Countries which are not yet Member States of the EU, such complementarity approach needs to be compensated with parallel complementarities with the Instrument for Pre-Accession Assistance (IPA) funds. Such complementarity with Cohesion Policy funds or IPA funds should not undermine the role of capacity building activities in the future research and innovation funding programme though. It is the firm position of the Enlargement Countries that within the proposed Common Strategic Framework, capacity building activities should preserve their place in the future research and innovation programme. The rationale for this is the inherently different types of capacity building that can be provided within the IPA on the one hand, and within the research and innovation funding context on the other. The IPA funds focus more on research and innovation investments that would bring value in the long term through development of hard skills; while the capacity building activities in the context of research and innovation funding are expected to be rather immediate actions to develop soft skills that would dynamize the use of existing resources towards more effective results. Therefore, capacity building activities are firmly called to be preserved within the future research and innovation funding in Europe – within the Common

Strategic Framework. The IPA funds, on the other hand, are called to be geared more towards research and innovation, for instance through encouragement by the EC for the use of IPA funds for research and innovation, or enforcement to use a certain minimum percent of IPA funds for such purpose. In this context, when seeking complementarities of Common Strategic Framework with the Cohesion Policy, the EC is called for seeking complementarities also with its Enlargement Policy since the Enlargement Countries are willing to remain associated to the Framework Programmes in the future. In parallel, the consultation and cooperation between different Directorates Generals of the European Commission dealing with these instruments (i.e. DG Research and Innovation and DG Enlargement) is called to be increased. Only through such strong support for research and innovation through IPA funds, the Enlargement Countries can be expected to compete with the EU Member States to access to the competitive funds for building up excellence in research and innovation. The future design of European funding should pay due consideration of two distinct kinds of capacity building, through IPA and Cohesion funds on the one hand and through the future research and innovation programme on the other.

Tackling Societal Challenges

In the EC Green Paper, a considerable focus is attributed to structuring research and innovation funding with a view to responding to the societal challenges in line with the Innovation Union Flagship Initiative which introduced the concept of European Innovation Partnerships for addressing societal challenges. This focus on societal challenges should, however, not undermine the basic research funding in the future research and innovation programme. Basic research needs to remain a part of both curiosity-driven research and agenda-driven activities. Bringing together supply and demand side measures in addressing societal challenges via Innovation Partnerships run the risk of diminishing the importance of curiosity-driven research which may not be demand-driven in essence. It is herewith acknowledged that agenda-driven activities are important to attain strategic results in tackling societal challenges. However, the role of curiosity-driven research is at least equally important as a driving force of scientific and technological breakthroughs. Therefore, it is expected that the stronger focus on societal challenges should not adversely affect the balance between curiosity-driven research and agenda driven activities. A genuine balance between the two types of research funding should be maintained in tackling societal challenges. The bottom-up approach in the current 7th Framework Programme is called to be preserved, especially in the case of Marie Curie Actions and Research for SMEs. More room and more funding for such bottom-up activities would be welcomed in the upcoming research and innovation programme.

For tackling societal challenges, policy making and forward looking activities should be embedded within coordination actions. Such coordination actions should not only focus on

policy making and forward looking activities among the EU Member States, but should be more inclusive of the European Research Area actors, to include also the enlargement countries. In line with this, the role of Joint Research Centre (JRC) needs to be rendered more strategic and kept inclusive in addressing societal challenges.

The link between research and innovation on the one hand and the citizens and civil society on the other, should be strengthened. In the future research and innovation funding programme, science promotion activities should be preserved in order to nurture this link. The capacity of civil society for involvement in innovation process can be also supported and enhanced through Cohesion Policy funds and IPA. Similarly, the field of social sciences constitute an important element in the current Framework Programme and should be preserved as the basis for better responsiveness of research efforts to the citizens' and civil society needs.

Strengthening Competitiveness

For strengthening the competitiveness of Europe, in the EC Green Paper, the role of industry in setting priorities, the public private partnerships, the industry – innovation link, the potential of SMEs as well as instruments and tools for an innovation friendly environment have been highlighted. The new research and innovation funding in Europe needs to take into account the broad nature of innovation. Innovation should not only be regarded and funded in terms of technological innovation, but non-technological innovation should also be considered such as new innovative combinations of existing technologies or design and creativity. Social innovation is also called for to the extent to enable a social consciousness for innovation within the society in Europe.

Industry participation in the future research and innovation programme is called to focus on increasing SME participation. For that purpose, the scheme “Research for the Benefit of SMEs” needs to be preserved in the future. In a similar fashion, more room is called for the schemes that support partnerships between the SMEs and academia. Further development and diffusion of open, light and fast schemes to all areas of the future research and innovation funding programme is supported as these schemes enable easy access for SMEs. In that respect, two stage application schemes with non-detailed application at the first stage are welcome.

The use of different financial instruments including those equity and debt based tools in addition to grants for the benefit of innovation, should be designed in an inclusive manner to enable access for the associated countries as well. Such particular instruments could be developed for clusters of countries and needs to be strongly supported by the EC. The EC needs to adopt a risk tolerant approach in financing innovation with various financial tools.

Strengthening Europe's Science Base and the European Research Area

With a view to strengthening Europe's science base, in the EC Green Paper, measures that address the creation of a unified European Research Area are highlighted. Those include the strengthening of European Research Council (ERC), building up excellence through national resources and Cohesion Policy funds, strengthening mobility with Marie Curie actions, reinforcing infrastructures and particularly e-infrastructures, strategizing international cooperation and availing of non-funding policy instruments to support the European Research Area.

Regarding the strengthening of European Research Council, it needs to be considered that creation of a genuinely unified European Research Area requires a harmonized science base. Yet, the concentration of the ERC funds within a few well developed countries undermines this cause. It is believed that a true strengthening of ERC would only be possible with a more homogenous dispersion of funds throughout the European Research Area.

For building up excellence, the EU is called for supporting Member States and Enlargement Countries, first and foremost, through sustaining coordination and support actions as well as capacity building instruments in the framework of the future research and innovation funding scheme. Additionally, the aforementioned compensation with IPA funds of the support provided to the EU Member States for building up excellence through the Cohesion Policy funds, are herewith reemphasized. The distinction between the kind of support that can be provided through the IPA funds – in line with the nature and spirit of the IPA instrument - and that can be provided through future research and innovation funding needs to be considered. Such consideration of the different kinds of support in building up excellence is expected to lead to complementary capacity building actions via the two programmes. In enhancing such complementarity in building up excellence, the DG Research and Innovation is called to involve in a substantial cooperation and consultation with the DG Enlargement. Such dialogue should further include the Enlargement Countries – as the demand side - in designing complementarities. Another dialogue to support building up excellence throughout Europe is called for through development of networks between less developed regions and highly innovative regions. European support and funding in developing such networks would assist the Member States and Enlargement Countries in developing their research base into excellence.

The achievements of Marie Curie actions in reinforcing the mobility of researchers and developing attractive careers are particularly acknowledged and praised. The opportunities for career development, however, need to be improved with coordination and support actions, especially with regard to Enlargement Countries. In line with the Innovation Union ideals, it is particularly important to sustain in the future and enhance SME involvement through industry – academia partnership actions as well as in other schemes.

Regarding the participation of women in science and innovation, any actions promoting such participation is supported.

The support to research infrastructures at the EU level is called to be sustained in the future research and innovation programme. A reinforcement of this support is expected to focus on a few aspects. First of all, the particular support to e-infrastructures need to be sustained and expanded more. A wide access to such infrastructures needs to be facilitated and supported. The Europe-wide development of e-infrastructures is crucial for further development of research and innovation in Europe. Secondly, support to potential medium infrastructures needs to be enhanced. Finally, the encouragement for participation of enlargement countries in networking between existing infrastructures is called to be sustained in the future research and innovation programme.

A strategic approach towards international cooperation is supported. Yet, such strategic approach is called to embrace the concept of research cooperation for development. A due consideration can be adopted in the cooperation with the Enlargement Countries. From the perspective of Enlargement Countries, as countries associated to FP7, the priority definition for the international research cooperation of EU needs to be considered in collaboration with the Enlargement Countries. The Observer status of the Enlargement Countries in platforms defining strategic priorities needs to be altered to reflect a genuine partnership with those countries.

As a non-funding measure to support the European Research Area, further improvement of working conditions of researchers at universities and private sector is needed in developing countries. Legislative measures in that respect would improve the perception of science careers throughout Europe. As Enlargement Countries have specific programmes for acquis alignment, such legislative measures are expected to influence the reforms in the Enlargement Countries.

Conclusion

The wide scale consultation process for the design of future research and innovation funding is welcomed by the Enlargement Countries providing the opportunity to reflect not only upon the future of Europe but also the future of the Enlargement Countries themselves. This joint response outlines the expectations of the Enlargement Countries regarding the future research and innovation funding in Europe. In the articulation of this joint response, the benefit of a harmonized Europe in general and a unified European Research Area in particular have been conceived and considered. It is the common trust of Enlargement Countries that Europe, in unity and integrity, will be successful in turning today's challenges into the achievements of the future.